GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5856
ANSWERED ON:31.08.2001
INCOME TAX ON SENIOR CITIZENS
DALPAT SINGH PARASTE

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have directed the banks to deduct the income tax of Government pensioners particularly of senior citizen;

(b) if so, the details thereof?

(c) Whether the senior citizens are required to fill up the form and stand in queue for long time;

(d) If so, the details thereof;

(e) Whether the Government are aware that the senior citizens do not fill up the return (file tax returns) as they are not covered under the tax, but they are served notices to pay penalty;

(f) If so, whether the Government propose to allow the banks from which the pension is drawn to deduct the taxable money at source; and

(g) If so, the action taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SH. GINGEE N. RAMACHANDRAN)

(a) & (b) Under the Income-tax laws any person responsible for paying any income chargeable under the head `salaries` which includes pension also, shall, at the time of payment, deduct income-tax at source on the amount payable after allowing such rebates and reliefs as may be admissible as per the tax laws/ rules at the average rate of Income-tax computed on the basis of the rates in force for the financial year in which the payment is made. Since the pension to retired Govt. pensioners is paid by the Banks, they are liable to deduct tax at source on the pension payable.

(c) & (d) Every citizen (including senior citizens) who has a taxable income is required to fill up the for (file income-tax return) and deposit the same at the designated counters at the local Income Tax office by the stipulated date. Special arrangements are made for Senior citizens and others by the Income-tax Department at various places near the last date for depositing the returns to tackle the last minute rush to avoid any inconvenience to the tax payers.

(e) As already stated against (c) & (d) above, every citizen who has a taxable income is required to file return. Whenever any case of default in the compliance of the tax laws is detected, notices are served upon the defaulters as per the income tax laws/ rules wherever called for.

(f) & (g) The position has already been explained against (a) & (b) above.